

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 00339 062000Z

62

ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 AID-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-10 IO-14 NEA-10 NSAE-00 RSC-01

OPIC-12 SPC-03 TRSE-00 CIEP-02 LAB-06 SIL-01 OMB-01

SCEM-02 INT-08 SCI-06 SS-20 NSC-10 STR-08 L-03 H-03

PA-04 PRS-01 USIA-15 DRC-01 /213 W

----- 028642

R 061210Z JAN 74

FM USMISSION OECD PARIS

TO SECSTATE WASHDC 1526

INFO AMEMBASSY BONN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION NATO

LIMITED OFFICIAL USE USOECD PARIS 0339

E.O. 11652: N/A

TAGS: ENRG, IT, OECD

SUBJECT: ITALIAN VIEW OF OECD-OPEC CONTACTS

REF: USOECD PARIS 33094

FOLLOWING IS TEXT CIRCULATED BY ITALIAN PERM REP OF HIS INTER-
VENTION CONCERNING OECD-OPEC CONTACTS MADE AT DECEMBER 28 MEETING
OF HIGH-LEVEL OIL GROUP HEADS OF DELEGATION.

BEGIN TEXT: IT SEEMS TRUE TO SAY THAT CURRENT FORECASTS OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 00339 062000Z

ECONOMIC DEVELOPMENT IN '74 REST ON MUCH FLIMSIER FOUNDATIONS

THAN USUAL. IT WILL BE THE OECD RESPONSIBILITY - AND NOBODY COULD FULFIL IT BETTER - TO CARRY OUT FURTHER STUDIES IN ORDER TO CLARIFY THE ECONOMIC PERSPECTIVES IN THE COMING MONTHS AND TO SUPPLY VALUABLE INFORMATION TO MEMBER GOVERNMENTS.

BUT WE FEEL THAT, BEYOND THE ECONOMIC ANALYSIS, BOTH IN THE SHORT AND THE LONG RUN - IF WE WANT TO FULFIL THE ROLE OF MEDIATOR BETWEEN THE ARAB ECONOMIES AND OUR OWN - WE MUST THINK ABOUT THE URGENCY TO ESTABLISH SOLID LINKS TO OPEN A CONSTRUCTIVE DIALOGUE BETWEEN THE OPEC AND THE OECD COUNTRIES. I ALREADY HAD THE OPPORTUNITY TO EXPRESS MY VIEWS ON THIS ISSUE, PARTICULARLY IN OUR MEETING OF DECEMBER 5TH. THEN, RECALLING THE SECRETARY GENERAL'S SUGGESTIONS IN THIS DIRECTION, I PROPOSED TO ESTABLISH CONTACTS AND POSSIBLY TO ACCEPT REPRESENTATIVES FROM THE ARAB COUNTRIES AS OBSERVERS TO SOME OECD COMMITTEES.

TODAY, EVEN MORE THAN IN THE PAST, WE SHOULD STRIVE TO RE-CREATE A CLIMATE OF MUTUAL TRUST AND UNDERSTANDING BETWEEN CONSUMING AND OIL PRODUCING STATES. IN FACT, IF ON ONE SIDE WE VIEW WITH COMPREHENSION THE INTENTION OF THE ARAB COUNTRIES TO FOLLOW CRITERIA, WITH REGARD TO OIL EXTRANTION, CONSONANT WITH THE LOGIC OF ECONOMICS (AND THIS IN VIEW OF SECURING AN ECONOMIC GROWTH AND DIVERSIFYING THEIR INDUSTRIAL ACTIVITIES), ON THE OTHER SIDE THE ARABS HAVE GROWN WARY OF CAUSING AN ECONOMIC DISRUPTION IN THE INDUSTRIAL WORLD, THAT COULD BACKFIRE ON THEM.

WILL THE INTENTION OF STARTING A DIALOGUE, STRESSED BY THE OPEC COUNTRIES - WHICH HAVE ASKED TO BEGIN DISCUSSIONS WITH OECD - LEAD US AT LAST TO COORDINATING OUR VIEWS? IN THIS PROSPECT, I BELIEVE THAT TWO SETS OF ISSUES ARE TO BE EXAMINED:

FIRST: A METHODOLOGICAL QUESTION

WE MUST FIND OUT THE MOST APPROPRIATE FORMS TO DISCUSS TOGETHER IN A CONSTRUCTIVE WAY THE BASES OF A LONG-TERM PRICING POLICY AND THE MEANS TO ASSURE THE SECURITY OF SUPPLIES IN THE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 00339 062000Z

FRAMEWORK OF A MUTUALLY BENEFICIAL COOPERATION.

SECOND: MORE SUBSTANTIAL PROBLEMS

THAT IS TO SAY, THE MEASURES TO ADOPT IN ORDER TO MAKE A LONG-TERM COOPERATION EFFECTIVE BETWEEN OUR TWO GROUPS OF COUNTRIES. SHALL WE CONSIDER THE EXCHANGE OF TECHNICAL KNOW-HOW AGAINST OIL SUPPLIES? OR OTHER WAYS OF BARTER? WHAT

ENCOURAGEMENT SHOULD BE DEVISED SO AS TO ATTRACT THE HUGE OPEC LIQUIDITIES FOR INVESTMENT IN OUR COUNTRIES AND IN THE DEVELOPING ONES?

UP TO THIS DATE, THE ARAB COUNTRIES HAVE BEEN HELD ASIDE FROM THE MOST IMPORTANT DECISIONS OF ECONOMIC POLICY, WHOSE IMPACT HAS BEEN FELT BY THEM. IT IS SUFFICIENT TO RECALL THE IMBALANCE OF THE PRESENT INTERNATIONAL MONETARY SYSTEM, THE CONTINUOUS INCREASE OF PRICES OF INDUSTRIAL PRODUCTS, WHICH HAVE LED TO A GROWING DETERIORATION OF THE TERMS OF TRADE IN THE OIL PRODUCING COUNTRIES.

SUCH A SITUATION COULD NOT LAST MUCH LONGER. WE HAVE TO VIEW THESE COUNTRIES NO MORE AS CONCEDED COUNTRIES BUT AS FULL-FLEDGED PARTNERS. THIS ALSO BECAUSE WHAT WE SHALL DECIDE FOR THE OIL PRODUCING COUNTRIES SHOULD INSPIRE US WHEN IT COMES TO SETTING UP SIMILAR RELATIONS WITH THE COUNTRIES SUPPLYING MANY CRITICAL MINERAL ORES IN AFRICA, ASIA AND LATIN AMERICA, THE SO-CALLED THIRD WORLD NATIONS.

IN CONFORMITY WITH THE DECISIONS REACHED AT THE EUROPEAN SUMMIT IN COPENHAGEN AND WITH THE SPIRIT THEREOF, THE ITALIAN GOVERNMENT GIVES HIGH PRIORITY TO COORDINATION OF VIEWS IN THIS MATTER IN THE COMMUNITY FRAMEWORK. BUT THE ITALIAN GOVERNMENT IS, ON PRINCIPLE, VERY FAVOURABLE TO ANY FORMS OF INTERNATIONAL COOPERATION IN THE FIELD OF ENERGY IN GENERAL. IN THIS CONTEXT, MR KISSINGER'S RECENT PROPOSAL HAS BEEN VIEWED WITH INTEREST AND IS NOW UNDER DEEP EXAMINATION BY THE CONCERNED ADMINISTRATIONS. END TEXT. ROGERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC STABILITY, PETROLEUM, PRICES, EXPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OECDP00339
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740160/aaaacemf.tel
Line Count: 144
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: USOECD PARIS 33094
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by kellew0>; APPROVED <24 APR 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ITALIAN VIEW OF OECD-OPEC CONTACTS
TAGS: ENRG, IT, OECD, OPEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005